**BEFORE TELANGANA REAL ESTATE REGULATORY AUTHORITY**

*[Under the Real Estate (Regulation and Development) Act, 2016]*

***Complaint No. 431/2025/TG RERA***
***Dated: 30th December 2025***

**Quorum:** **Dr. N. Satyanarayana, IAS (Retd.), Hon'ble Chairperson**
**Sri K. Srinivasa Rao, Hon'ble Member**
**Sri Laxmi Narayana Jannu, Hon'ble Member**

***Mr. Rohit Madasu,***
*(VSR Homes, Block-1, Flat No:201,*
*H.No. 1-5-73/E, Phanigiri Colony,*
*Kothapet, Rangareddy,*
*Telangana – 500060)*

***…Complainant***

***Versus***

***M/s. Vasavi Realtor LLP,***
*(Rep by its Designated Partner, Vijay Kumar Yerram & Kandey Ramesh,*
*Vasavi Corporate,*
*H.No.8-2-703/7/1 and 8-2-703/7/1/A,*
*4th Floor, Vasavi Corporate Building, Amrutha Valley Apartments,*
*Road No. 12, Banjara Hills, Hyderabad, Telangana – 500034)*

***…Respondent***

The present matter file by the Complainant herein came up for hearing on 11.07.2025 before this Authority in presence of Complainant in person and Respondents Counsels Sri D Madhav Rao and M.K.Joy Raj; upon pursuing the material on record and on hearing arguments of the both the parties and having stood over for consideration till this day, the following order is passed**:**

**ORDER**

2. The present Complaint has been filed by the Complainant under Section 31 of the Real Estate (Regulation & Development) Act, 2016 (hereinafter referred to as the "RE(R&D) Act") read with Rule 34(1) of the Telangana Real Estate (Regulation and Development) Rules, 2017 (hereinafter referred to as the "TG RE(R&D) Rules") seeking appropriate relief(s) against the Respondents.

***A. The brief facts of the case, as stated by the Complainant, are as follows:***

3. It was submitted that the Complainant had booked an apartment on 23rd November 2021 and subsequently entered into an Agreement of Sale with the Respondent, Vasavi

Realtors, in November 2021. The agreement pertained to the purchase of Flat No. 302 on the 6th floor of Tower 3 in the project "Vasavi Lake City - East Wing," which was registered under RERA No. P02500001821.

4. It was stated that pursuant to the terms of the original Agreement of Sale, the stipulated date for the handover of possession of the flat was on or before August 2023. It was further submitted that the Complainant had made all payments on time as per the demand letters issued by the Respondent.

5. It was contended that as of June 2025, possession of the flat had not been delivered, constituting a delay of twenty-two months past the agreed-upon date. It was alleged that the Respondent had repeatedly postponed the handover date without providing clear assurances.

6. It was further submitted that after a meeting in September 2024, the Respondent had issued a written commitment stating that flats would be handed over for interior works by 14th February 2025. This date was subsequently revised to 7th March 2025, and as per a later Minutes of Meeting, was further pushed to June 2025. It was stated that as of the end of June 2025, no formal communication regarding the handover had been received from the Respondent.

7. It was alleged that there had been minimal progress in construction at the site since September 2023. The Complainant also submitted that upon communication with other flat owners, it was understood that the Respondent had provided different possession dates in the Agreement of Sale documents to different owners within the same tower.

8. It was submitted that a significant amount of work remained incomplete in the building. This included the installation of bathroom fixtures, windows, doors, service lifts, and staircase railings. Electrical and water connections were yet to be done, and both internal and external painting was pending. It was also stated that common amenities, parking facilities, and the provisioning of electricity and water services were not completed.

9. It was further contended that there were concerns regarding the quality of the work. Additionally, it was stated that the kitchen platform, the cost of which was included in the sale consideration, was not being installed by the Respondent, and no information regarding reimbursement for this item had been provided.

***B. Reliefs Sought***

10. Accordingly, the Complainant sought the following reliefs:

i. To direct the Respondent to pay interest on the total amounts paid by the Complainant, calculated from the respective dates of each payment until the actual date of handover, at the rate prescribed under the Real Estate (Regulation and Development) Act, 2016. This is sought as compensation for the significant financial loss, opportunity cost, and hardship incurred by the Complainant, who has been simultaneously paying rent and loan EMIs due to the inordinate delay.

ii. To direct the Respondent to refund the amount collected for the kitchen platform, or alternatively, to pay compensation equivalent to the current market cost for installing a kitchen platform of a comparable size and quality, as the Respondent has failed to provide the said amenity despite having charged for it.

***C. Counter filed by the Respondent***

11. It was submitted by the Respondent that the complaint was not maintainable either in law or on facts and was liable to be dismissed. The Respondent contended that the Complainant had failed to follow the remedies available under the Agreement for Sale for the resolution of disputes before approaching this Hon'ble Authority. It was further submitted that no prior legal notice was issued before the filing of the complaint, which rendered the application defective.

12. It was submitted that the project, "Lake City-East," was developed lawfully after the Respondent obtained rights from the landowners under registered documents, covering a total land area of 34,704.37 sq. yds. The requisite permissions for land conversion and for the construction of multi-storied residential apartments were obtained on 07.02.2020. The project, consisting of multiple towers and a clubhouse, was duly registered with this Authority vide Registration No. P02500001821 dated 20.03.2020.

13. It was further submitted that the Complainant was allotted apartment No. E. 030602 on the 6$^{th}$ Floor of Tower 3, admeasuring 1705 sq. ft., and an undivided share of 48 sq. yds. of land under the Agreement of Sale. The agreement detailed the carpet area, balcony area, common area, and the undivided share of land. The total sale consideration was Rs. 1,20,06,450/- out of which the Complainant paid Rs. 25,25,000/-.

14. It was submitted that as per Clause 7 of the Agreement, the Respondent was obligated to hand over possession of the apartment on or before 31.08.2024, with a grace period of six months. The said clause explicitly stated that the period of completion would stand extended

in the event of force majeure conditions, during which the allottee was not entitled to claim any compensation for the delay.

15. It was contended that the Complainant had not approached this Hon'ble Authority with clean hands but with an ulterior motive for unlawful gain, and that there had been a material suppression of facts. While the existence of the Agreement of Sale was not in dispute, the Respondent averred that the Complainant made false claims despite being aware of the contractual terms and circumstances.

16. The Respondent stated that the project timelines were severely impacted by the COVID-19 pandemic, which was a force majeure event recognized under law. It was submitted that following the declaration of a public health emergency in January 2020, a nationwide lockdown was imposed in India from March 2020. This event led to a mass migration of the labour force, which was critical to the construction industry in Hyderabad, thereby causing a significant and unavoidable delay in the project work. All allottees were kept informed of these developments.

17. The Respondent further relied on the orders of the Hon'ble Supreme Court in Suo Motu Writ Petition (C) No. 3 of 2020, whereby the period from 15.03.2020 to 28.02.2022 was excluded for the purposes of computing limitation across all statutes. It was contended that this legally recognized the extraordinary circumstances and justified the extension of timelines for project completion.



18. In addition to the pandemic, the Respondent submitted that the project was delayed by other unforeseen factors. It was stated that the project site contained rocky terrain which, due to its location in a residential vicinity, could not be excavated using explosives. The consequent need for manual rock-breaking compounded the construction delays. Furthermore, the project was adversely impacted by third-party disputes, including several legal proceedings filed against the project, such as RERA Case No. 190/2020, W.P. No. 2694/2021, and W.P. No. 26301/2024, which hindered its smooth progress. These challenges were communicated to the customers in periodic meetings.

19. It was contended that any clerical or typographical errors in the Agreement of Sale, such as an incorrect possession date mentioned in one instance, could not be exploited to create liability, especially when the magnitude of the project made such a timeline practically impossible. The Respondent asserted that the project was over 90% complete and in the final finishing stages. An extension for the project registration had been granted by this Authority

up to 07.02.2026, and the Respondent gave an undertaking to deliver the apartments within this extended period.

20. With regard to the claims for interest and compensation, the Respondent submitted that such reliefs were not maintainable in view of the force majeure conditions. It was argued that the circumstances clearly fell within the definition provided under Section 6 of the Act. The Respondent maintained that the delay was not due to any deliberate act or default on its part, and therefore, the Complainant had not established any legal basis for claiming compensation for mental agony or financial loss.

21. The Respondent concluded that the complaint was preposterous and without foundation. It was prayed that the complaint be dismissed and the Respondent be allowed to complete the project and deliver possession to all allottees as per the extended timeline.

***D. Rejoinder filed by the Complainant***

22. It was submitted in response to the preliminary objection on maintainability, that the said objection was not only vague but legally unfounded. The complaint had been filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016, which provided an explicit statutory right to any aggrieved allottee to seek relief. It was stated that the Agreement of Sale dated 22nd February 2021 clearly stipulated the committed possession date as 31st August 2023, and as the flat remained undelivered, the complaint was well within legal bounds.

23. The contention that the Complainant had not availed methods provided in the agreement was described as wholly misconceived and devoid of any merit. It was submitted that the statutory jurisdiction of RERA was not ousted by any arbitration or alternative clause contained in a private agreement. It was further stated that the Complainant had made repeated attempts to communicate with the Respondent, but these efforts were met with consistent avoidance tactics and an endless loop of blame-shifting between internal teams, which effectively stonewalled the Complainant.

24. The objection regarding the non-issuance of a legal notice was submitted as being without merit, as there was no such legal mandate under RERA to issue a prior notice.

25. It was stated that the Respondent's development rights and the permissions obtained for construction were not in dispute; the issue lay in the Respondent's failure to deliver possession on time as per contractual obligations.

26. It was submitted that while the project was registered with RERA, the Respondent had grossly failed to abide by the obligations that accompanied such registration, particularly those relating to timely possession and transparency. The Respondent's conduct post-registration showed a blatant disregard for the regulations, and their reply demonstrated a shocking lack of respect towards the Hon'ble Authority.

27. It was submitted that the Respondent's emphasis on the booking date was legally irrelevant. As per the RERA framework, the Agreement of Sale dated 23rd November 2021 was the only binding document, which included the crucial possession commitment of 31st August 2023. The Complainant had duly paid a sum of ₹1,26,06,513/- towards the consideration value. It was stated that the balance payment for registration was contractually due only at the time of handover, and therefore, there was no default whatsoever on the part of the Complainant. The Complainant, having complied fully, stood entitled to all legal remedies under Section 18(1) of the RERA Act.

28. The Respondent's reliance on a RERA extension was described as legally flawed and misleading. It was submitted that the possession date as agreed between the parties, 31st August 2023, must prevail for assessing delay, irrespective of any regulatory extensions. The Respondent's conduct, in now citing a delivery date of February 2026, rendered the contract meaningless.

29. The Complainant fully acknowledged the payment of the booking amount of ₹25,25,000/-. However, it was submitted that the Respondent's attempt to divert the discussion toward specifications was unrelated to the core issue of delay in possession, especially after receiving 100% of the total sale consideration.

30. It was submitted that the Respondent had selectively cited clauses from the Agreement to justify their delay while ignoring their binding obligation. The Respondent had far exceeded even the six-month grace period. The repeated reference to *force majeure* was described as legally untenable and factually inapplicable, as the Agreement of Sale was executed on 22nd February 2021, well after the nation had emerged from full lockdown. It was argued that *force majeure* clauses could not override statutory protections afforded to allottees under Section 18(1) of the RERA Act.

31. The Respondent's selective quoting of Clause 7.2 was stated to be entirely misplaced, as the condition precedent of obtaining an occupancy certificate (OC) had not been met. It

was submitted that Clause 9, which dealt with promoter defaults, must now be actively enforced as the Respondent had unambiguously breached the possession timeline.

32. The Complainant categorically denied the baseless and defamatory allegations of acting with an "ulterior motive." It was submitted that the Complainant had made full disclosure of all material facts, including the Agreement for Sale and proof of payments totalling ₹1,26,06,513/-, whereas the Respondent had repeatedly failed to meet their own promised timelines.

33. While the impact of the COVID-19 pandemic was acknowledged, it was submitted that the Respondent's reliance on it was misleading, as the Agreement for Sale was executed on 23rd November 2021, with full knowledge of the ongoing pandemic. The delay from 2023 to 2025 could not be blamed on the pandemic and was nothing more than a convenient scapegoat.

34. It was submitted that the legal provisions and extensions cited by the Respondent related solely to statutory periods of limitation for filing legal proceedings and had no applicability whatsoever to the contractual obligations of a real estate developer under the RERA Act.

35. The attempt to attribute the delay to labour migration was stated as not being applicable to the facts, as since 2022, no meaningful progress had been made toward completion. The delay post-structural completion reflected a lack of intent and mismanagement on the part of the builder. It was also stated that there was no documentary evidence to support the claim that allottees were formally informed of such delays.

36. The Respondent's statement regarding "various additional factors" was described as vague, evasive, and devoid of any factual backing. It was submitted that the claim that "customers were intimated from time to time" was simply untrue in the Complainant's case.

37. The response by the Respondent, terming the committed possession date in a formally executed Agreement of Sale as a product of "clerical and typographical mistakes," was described as both self-incriminating and legally indefensible. It was submitted that this was a dishonest afterthought and reflected a complete abdication of responsibility.

38. The accusation that the Complainant's allegations were factually baseless was described as an unfounded, derogatory, and blatant diversionary tactic. It was submitted that the Complainant had provided extensive documentary evidence, while the Respondent's citation of a RERA registration extension had no bearing on their contractual liability. It was

submitted that while certain legal disputes may have arisen, the mere existence of litigation involving third parties could not be used as a blanket justification for delay. It was the legal responsibility of the promoter under Section 11(3)(a) of the RERA Act to ensure the project was free of encumbrances.

39. The Complainant challenged the Respondent to produce any formal written communication that proactively disclosed delays. It was submitted that the pattern of repeatedly outlining and then dishonouring revised timelines reflected a calculated approach to deflect pressure, and to now question the reasonableness of pursuing a claim under RERA was deeply unjust.

40. The Complainant submitted that the claim for interest was a non-negotiable and unconditional statutory right under Section 18(1) of the Act. The reliance on *force majeure* due to COVID-19 was wholly misplaced as the Agreement was signed on 23rd November 2021. The Respondent's statement regarding compensation was stated to reflect complete insensitivity to the real and severe consequences faced by the Complainant, which were clearly laid out in Form M. Specific real-life impacts were cited, including daily travel burdens for the Complainant's spouse and mother, logistical difficulties for the Complainant, and the unplanned financial strain of staying as paying guests.

41. The Complainant strongly objected to the Respondent's claim that delivery was now scheduled for February 2026. It was asserted that the Complainant had never agreed to any extension. It was submitted that the Respondent's "unconditional undertaking" did not waive their legal liability to pay interest for the period of delay already accrued. The claim that the project was in its "final stages" was contradicted by the visible lack of progress.The response regarding the Complainant agreeing to the delay was described as another attempt to deflect responsibility using afterthought excuses. It was stated that the Complainant never agreed to excuse the delay. The new claim about rocky terrain reflected a lack of due diligence and was an internal project risk, not *force majeure*.

42. The Respondent's statement that the Complainant was not entitled to any relief was described as a sweeping and baseless denial of liability. It was submitted that the Respondent's generic claim that the delay was "beyond their control" had been repeatedly refuted. The Complainant had been patient and fulfilled all financial obligations, and the relief sought was legally justified.

43. Finally, it was submitted that the Respondent's claim that the complaint was "preposterous" was baseless and contrary to the record. The Respondent's generic "undertaking" and claims of a "good name" could not cure the default already committed. Accordingly, the Complainant respectfully prayed that the Hon'ble Authority grant interest for the delayed period under Section 18(1) and pass any other appropriate directions.

***E. Points for Consideration:***

44. Upon a careful perusal of the record and the submissions advanced by both parties, oral as well as written, this Authority is of the view that the following issues arise for determination in the present complaint:

1. Whether the present complaint is maintainable before this Authority?
2. Whether the Complainants are entitled to the reliefs as prayed for?

***F. Observations of the Authority:***

***Point 1:***

45. The Respondent has raised an objection as to the maintainability of the present complaint on the ground that the Complainants failed to first resort to the contractual dispute resolution mechanism envisaged in the Agreement of Sale, namely an amicable settlement by mutual discussion, prior to approaching this Authority.



46. The Authority finds this objection untenable for the following reasons:

47. The relevant Dispute Resolution clause in the Agreement of Sale is reproduced below for ready reference:

> *33. Dispute Resolution clause in the Agreement of sale executed between the parties, the said clause stated that all or any disputes arising out ot touching upon or in relation to the terms and conditions of this Agreement, including the interpretation and validity of the terms thereof and the respective rights and obligations of the Parties, shall be settled amicably by mutual discussion, falling which the same shall be settled through adjudication officer appointed under the Act.*

48. It is clear from the above that the clause only requires the parties to attempt an amicable settlement by mutual discussion. Such a clause is at best directory and cannot oust or restrict the statutory jurisdiction of this Authority.

49 Section 79 of the RE(R&D) Act expressly bars the jurisdiction of Civil Courts in respect of any matter which this Authority, the Adjudicating Officer, or the Appellate Tribunal is empowered to determine. Likewise, Section 88 clarifies that the provisions of the RE(R&D) Act are in addition to, and not in derogation of, other laws. Thus, the intention of the legislature is that remedies under this beneficial legislation must remain open to allottees, irrespective of any private clause for amicable settlement.

50. Even in cases where agreements contained arbitration clauses (which is not the case here), the Hon'ble Supreme Court and the Hon'ble NCDRC have consistently held that such clauses cannot circumscribe the jurisdiction of consumer fora or statutory authorities constituted under special enactments.

51. In *National Seeds Corporation Ltd. v. M. Madhusudhan Reddy* (2012) 2 SCC 506, the Supreme Court held that remedies under special statutes are in addition to, and not in derogation of, other remedies. For ready reference, the relevant extract is reproduced below:

> **"49. Support to the above view is also lent by Section 79 of the recently enacted Real Estate (Regulation and Development) Act, 2016 (for short "the Real Estate Act"). Section 79 of the said Act reads as follows:- '79. Bar of jurisdiction - No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Authority or the adjudicating officer or the Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.'*
>
> *It can thus, be seen that the said provision expressly ousts the jurisdiction of the Civil Court in respect of any matter which the Real Estate Regulatory Authority, established under Subsection (1) of Section 20 or the Adjudicating Officer, appointed under Sub-section (1) of Section 71, or the Real Estate Appellate Tribunal established under Section 43 of the Real Estate Act, is empowered to determine. Hence, in view of the binding dictum of the Hon'ble Supreme Court in A. Ayyaswamy (supra), the matters/disputes, which the Authorities under the Real Estate Act are empowered to decide, are non-arbitrable, notwithstanding an Arbitration Agreement between the parties to such matters, which, to a large extent, are similar to the disputes falling for resolution under the Consumer Act.*
>
> 56. *Consequently, we unhesitatingly reject the arguments on behalf of the Builder and hold that an Arbitration Clause in the afore-stated kind of Agreements between the Complainants and the Builder cannot circumscribe the jurisdiction of a Consumer Fora, notwithstanding the amendments made to Section 8 of the Arbitration Act."**

52. Similarly, in *Aftab Singh &Ors. v. Emaar MGF Land Ltd. &Ors.* (Consumer Case No. 701 of 2015, decided on 13.07.2017), it was held that arbitration clauses in builder-buyer agreements cannot oust the jurisdiction of consumer fora. The said view was later upheld by the Hon'ble Supreme Court in Civil Appeal Nos. 23512–23513 of 2017. The relevant para reads:

> *25. This Court in the series of judgments as noticed above considered the provisions of Consumer Protection Act, L986 os well as Arbitration Act, 1996 and laid down that complaint under Consumer Protection Act being a special remedy, despite there being an arbitration agreement the proceedings before Consumer Forum have to go on and no ercor committed by Consumer Forum on rejecting the application. There is reason for not interjecting proceedings under Consumer Protection Act on the strength an arbitration agreement by Act, 1996. The remedy under Consumer Protection Act is a remedy provided to a consumer when there is a defect in any goods or services. The complaint means any allegation in writing made by a complainant has also been explained in Section 2(c) of the Act. The remedy under the Consumer Protection Act is confined to complaint by consumer as defined under the Act for defect or deficiencies caused by a service provider, the cheap and a quick remedy has been provided to the consumer which is the object and purpose of the Act as noticed above."*



53. In the present matter, there is only a clause requiring amicable discussion before invoking remedies. Such a clause is directory at best, and cannot override or defeat the statutory right of the Complainant to approach this Authority under the RE(R&D) Act. Accordingly, this Authority has no hesitation in holding that the Complainant is well within its rights to approach this forum without being first compelled to pursue an amicable settlement under the Agreement. The objection of the Respondent as to maintainability is therefore rejected.

***Point No. 2: Delay in Possession***

54. The Complainants have sought relief on the ground that there has been an inordinate delay in handing over of possession of the subject flat.

55. It is the case of the Complainants that the Agreement of Sale dated 23.11.2021, executed between the parties, clearly stipulated that possession of the subject flat would be handed over by 31.08.2023, with a grace period of six months, ending on 28.02.2024. The

Respondent has failed to hand over possession even as on date. The Respondent has failed to hand over possession even as on date. Further, although the project was registered with TG RERA up to February 2025 and later extended until February 2026, the project remains incomplete.

56. The Complainants submit that the Respondent has repeatedly given false assurances of completion, while allottees continue to suffer. The Respondent, conversely, attributes the delay to the Covid-19 pandemic, claiming force majeure, citing the nationwide lockdown beginning March 2020, the impact on migrant labour, and consequential delays. The Respondent further cites rocky terrain at the site, third-party disputes, and typographical errors in the possession date as additional justifications.

***(i) Whether the Covid-19 pandemic can be taken as a valid shield by the Respondent in the present case?***

57. This Authority finds no merit in such contentions. The Agreement of Sale was admittedly executed on 23.11.2021, much after the onset and near subsiding of the Covid-19 pandemic. The Respondent, being fully aware of the prevailing global circumstances, nevertheless executed the Agreement by specifically assuring completion of the project by August 2023 with the grace period of 6 months i.e 28.02.2024. Having consciously undertaken such commitment, the Respondent cannot now, with retrospective justification, rely on Covid-19 as a defense to escape its contractual and statutory obligations. Such conduct clearly amounts to holding out false assurances with mala fide intent.

58. It is a settled principle that once a promoter has chosen to register a project and enter into binding contractual commitments with allottees, he does so with full knowledge of the risks, constraints, and challenges of the market. At the time of entering into the Agreement of Sale with the present Complainant, the Respondent was already aware of the Covid-related disruptions, as well as the Government notifications granting moratoriums for project completion timelines. Despite this knowledge, the Respondent chose to provide a specific assurance of delivery by August 2023.

59. This Authority aligns with the observations of the Hon'ble Bombay High Court in *Neelkamal Realtors Suburban Pvt. Ltd. &Anr. vs. Union of India &Ors.* [2017 SCC OnLine Bom 9302], wherein at para 119 it was categorically observed:

> *"While the proposal is submitted, the Promoter is supposed to be conscious of the consequences of getting the project registered under RERA. Having sufficient experience in the open market, the Promoter is expected to have a*

*fair assessment of the time required for completing the project…".*

60. The above dictum fortifies the principle that the promoter, being structurally at an advantageous position with respect to project information and market realities, is under a statutory duty to provide realistic timelines. The framework of the Real Estate (Regulation and Development) Act, 2016 reinforces this obligation by mandating timely completion and possession within the period stipulated in the Agreement of Sale.

61. Therefore, the plea of Covid-19 as a force majeure defence in the present case is wholly untenable. The Respondent, having executed the Agreement of Sale in November 2021 with specific possession timelines, cannot now seek to retrospectively attribute delays to the pandemic. Accordingly, this Authority holds that the reliance on Covid-19 as a shield stands rejected.

***(ii) Extension of Registration***

62. The Respondent has further contended that, since extensions have been granted by this Authority, the project timeline now stands extended up to February 2026, and therefore possession shall be delivered by then. The Complainants, however, have questioned the validity and effect of such extensions.

63. At the outset, it must be clarified that under the scheme of the RE(R&D) Act:

> *"An Act to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal and also to establish the Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the adjudicating officer and for matters connected therewith or incidental thereto."*

64. The paramount objective is twofold: protection of consumer interest, and ensuring completion of projects in an efficient manner. Denial of extension during the Covid-19 disruption would have resulted in projects being stalled, to the grave prejudice of allottees. It was in this context that this Authority, balancing the equities, granted extensions in line with the moratoriums issued by Telangana RERA:

1. 15.03.2020 to 14.09.2020 (Circular No.14 dated 13.05.2020),
2. 15.09.2020 to 15.03.2021 (Order No.15 dated 29.09.2020),
3. 15.03.2021 to 14.09.2021 (Order No.16 dated 01.06.2021).

65. Accordingly, an aggregate 18 months' extension was applied across projects to safeguard larger consumer interest. However, it is equally well settled that such regulatory extensions cannot dilute the contractual rights of individual allottees under their respective Agreements of Sale, nor can they displace the statutory rights flowing from Section 18 of the RE(R&D) Act.

66. In the present matter, it is evident that the Respondent has unilaterally revised possession timelines first to February 2024, and thereafter to February 2026 due to the extension taken without consultation or consent of the Complainants. Such unilateral revisions are impermissible. The Hon'ble Bombay High Court in ***Neelkamal Realtors Suburban Pvt. Ltd. vs. Union of India &Ors. [2017 SCC OnLine Bom 9302],*** while upholding the constitutional validity of RERA, categorically observed:

> ***Para 119*** *"The RERA does not contemplate rewriting of contract between the flat purchaser and the promoter."*
> ***Para 256*** *of this Judgment further clarifies that*
> *"by giving opportunity to the promoter to prescribe fresh timeline under Section 4(2)(l)(C), he is not absolved of the liability under the agreement for sale"*

67. The above dicta makes it abundantly clear that any extension granted by the Authority, or revised timelines uploaded on the TG RERA project registration portal, do not ipso facto alter or bind the allottees' contractual rights. The agreed date of possession remains as stipulated in the Agreement for Sale, and unilateral extensions by the promoter cannot be foisted upon allottees to their detriment.

68. Accordingly, this Authority holds that the revised possession dates mentioned by the Respondent, whether while seeking extensions before the Authority or as updated on the registration portal, cannot be treated as binding on the Complainants.

***(iii)Relief under Section 18 of the RE(R&D) Act:***

69. It is not in dispute that the Complainants have duly paid all amounts demanded towards the total sale consideration of ₹1,20,06,450/-, diligently and without default, as substantiated by the payment receipts placed on record before this Authority. The Agreement of Sale unequivocally stipulated that possession was to be handed over by 31.08.2023, with a grace period extending up to 28.02.2024. Admittedly, possession has not been delivered till date.

70. The Respondent's contention that 90% of the work is complete and that the Complainants have paid only partial consideration is wholly untenable. The Complainants have, in fact, discharged the entire demanded amounts. Despite receiving such substantial sums, the Respondent has failed to honour its contractual obligations. It stands manifest that the Respondent furnished false assurances, being fully conscious of the prevailing market situation, yet stipulating dates of completion which it had no realistic capacity to adhere to. A considerable period has elapsed beyond the stipulated date, yet the project remains incomplete and possession has not been handed over.

71. Therefore, the contention that the Complainants have not paid the balance consideration is rejected, as the Complainants have in fact paid the entire sale consideration. A promoter who is in default cannot compel an allottee to continue making payments indefinitely, particularly when there is no tangible progress in the project and the timelines are being unilaterally extended to cover the promoter's own deficiencies.

72. Now, Section 18 of the RE(R&D) Act is categorical:

> *(1) If the promoter fails to complete or is unable to give possession of an apartment, plot or building,—*
>
> *(a) in accordance with the terms of the agreement for sale or, as the case may be, duly completed by the date specified therein; or*
> *(b) due to discontinuance of his business as a developer on account of suspension or revocation of the registration under this Act or for any other reason,*
> *he shall be liable on demand to the allottees, in case the allottee wishes to withdraw from the project, without prejudice to any other remedy available, to return the amount received by him in respect of that apartment, plot, building, as the case may be, with interest at such rate as may be prescribed in this behalf including compensation in the manner as provided under this Act:*
> *Provided that where an allottee does not intend to withdraw from the project, he shall be paid, by the promoter, interest for every month of delay, till the handing over of the possession, at such rate as may be prescribed.*
> *(2) The promoter shall compensate the allottees in case of any loss caused to him due to defective title of the land, on which the project is being developed or has been developed, in the manner as provided under this Act, and the claim for compensation under this subsection shall not be barred by limitation provided under any law for the time*

*being in force.*
*(3) If the promoter fails to discharge any other obligations imposed on him under this Act or the rules or regulations made thereunder or in accordance with the terms and conditions of the agreement for sale, he shall be liable to pay such compensation to the allottees, in the manner as provided under this Act.*

73. This statutory right of allottee is unqualified and absolute. Attention is drawn to the decision of the Hon'ble Supreme Court of India in ***Civil Appeal Nos. 3581-359 of 2022, Civil Appeal Diary No. 9796/2019, M/s Imperia Structures Limited vs. Anil Patni & Others,*** wherein it was held:

> *"In terms of Section 18 of the RERA Act, if a promoter fails to complete or is unable to give possession of an apartment by the date specified in the agreement, the promoter would be liable, on demand, to return the amount received in respect of that apartment if the allottee wishes to withdraw from the project. Such a right of the allottee is 'without prejudice to any other remedy available to him'. This right is unqualified, and if availed, the deposited money must be refunded with interest as prescribed. The proviso to Section 18(1) contemplates that if the allottee does not intend to withdraw from the project, they are entitled to interest for every month of delay until possession is handed over. The allottee may proceed under Section 18(1) or the proviso thereto."*

74. Similarly, in ***Civil Appeal Nos. 6745-6749 of 2021, M/s Newtech Promoters and Developers Private Limited vs. State of UP & Others***, the Hon'ble Supreme Court observed:

> *"Section 18(1) of the Act spells out the consequences if the promoter fails to complete or is unable to give possession of an 9 of 10 apartment, plot, or building in terms of the agreement for sale. The allottee/home buyer holds an unqualified right to seek a refund of the amount with interest as prescribed."*

75. Further, as earlier observed, *the Hon'ble Bombay High Court in Neelkamal Realtors Suburban Pvt. Ltd. v. Union of India [(2017) SCC Online Bom 9302]* clarified that RERA registration or its extension cannot rewrite the contract between parties. The date assured under the Agreement of Sale, executed with the allottee's consent, shall prevail. Thus, the Respondent is bound by Section 11(4)(a) of the RE(R&D) Act, which mandates adherence to the terms of the Agreement of Sale.

76. In the present case, this Authority finds the Respondent in clear breach of both statutory and contractual obligations. The Complainant is therefore entitled to interest at the

prescribed rate for the entire period of delay, i.e., from 01.03.2024 until the actual date of handing over possession. As regards claims of compensation, this Authority notes that jurisdiction for adjudicating compensation lies with the Adjudicating Officer under Section 71 of RE(R&D) Act with Form 'N'. The Complainant is at liberty to pursue such remedy separately..

77. Accordingly, while the Complainant is entitled to relief under Section 18 of the RE(R&D) Act.

78. This Authority cannot remain oblivious to the larger pattern of violations. It is noted with grave concern that more than fifty complaints have already been received against this very Respondent in respect of the subject project. Such repeated defaults and false assurances strike at the very root of the confidence that homebuyers are entitled to repose under the protective framework of the RE(R&D) Act.

79. The Statement of Objects and Reasons of the RE(R&D) Act explicitly emphasizes "*greater accountability towards consumers and to inject transparency, efficiency, and discipline in the real estate sector*". The conduct of the Respondent herein is in gross derogation of that legislative mandate. If such violations are permitted to persist, the very soul of the Act would stand diluted and the protection promised to allottees rendered illusory.

80. Accordingly, this Authority hereby sternly warns the Respondent promoter that any further default, non-compliance, or failure to deliver possession within the assured statutory timelines or any fresh grievances brought to notice by allottees shall invite invocation of Section 63 of the RE(R&D) Act.

81. This Authority shall not hesitate to take the strictest view in future, for the Act was enacted not as a mere regulatory framework but as a beneficial legislation to protect innocent homebuyers from the very malaise exemplified by the conduct of this Respondent.

***G. Directions of the Authority:***

88. In view of the findings and observations recorded hereinabove, this Authority proceeds to issue the following directions:

a. The preliminary objection raised by the Respondent regarding the maintainability of the complaint on account of the Dispute Resolution Clause in the Agreement of Sale stands rejected. The complaint is maintainable before this Authority.

b. The Respondent's reliance on the Covid-19 pandemic as a ground of force majeure is held untenable, since the Agreement of Sale was executed after the subsiding of the pandemic and with full knowledge of the prevailing circumstances.

c. The extension of registration taken by this Respondent cannot dilute the contractual rights of the Complainant under the Agreement of Sale. The date of possession as stipulated in the Agreement shall prevail.

d. The Respondent is held liable for failure to hand over possession of the subject flat by the agreed date i.e., 28.02.2024 (inclusive of grace period).

e. The Complainants are entitled to interest at the rate of 10.70% per annum (being SBI MCLR + 2% as per Rule 15 of the TG RE(R&D) Rules, 2017), computed on the amounts actually paid by the Complainants, with effect from 01.03.2024 until actual handing over of lawful possession. The exact computation shall be subject to verification of such payments by the Respondent at the stage of effecting payment. The Respondent shall pay the arrears accrued up to the date of this Order within sixty (60) days, and shall thereafter continue to pay the accruing interest on a monthly basis, on or before the 10th day of each succeeding month, until possession is delivered.

f. Insofar as compensation is concerned, the Complainant is at liberty to pursue appropriate proceedings before the Learned Adjudicating Officer under "Form N".

g. The Respondent is hereby directed to complete the project forthwith and hand over possession to the Complainants within the statutory timelines.

h. The Complainants are directed to pay the balance consideration strictly in accordance with the agreed payment schedule. In the event of any default in adhering to such schedule, the Respondent shall be at liberty to claim interest on the delayed amounts, as provided under Rule 15 of the Telangana Real Estate (Regulation and Development) Rules, 2017. However, such claim shall be substantiated by valid documentary evidence demonstrating that the default is aligned with the actual stage-wise progress of construction, and not merely on the basis of unilateral assertions.

89. Having regard to the repeated defaults and the large number of complaints already pending against this Respondent in the same project, this Authority sternly warns the Respondent that any further delay, non-compliance, or grievance brought to notice by allottees shall invite section 63 of the RE(R&D) Act.

90. The complaint is accordingly allowed in part, in terms of the above directions.

91. Failure to comply with above said directions by the Respondent shall attract penalty in accordance with Section 63 of the RE(R&D) Act, 2016

92. As a result, the complaint is disposed of accordingly. No order as to costs.

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Sri. K. Srinivasa Rao,** | **Sri. Laxminaryana Jannu,** | **Dr. N. Satyanarayana, IAS (Retd.),** |
| **Hon'ble Member** | **Hon'ble Member** | **Hon'ble Chairperson** |
| **TG RERA** | **TG RERA** | **TG RERA** |